GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:265
ANSWERED ON:19.11.2007
PROCUREMENT PRICE OF WHEAT
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Will the Minister of AGRICULTURE be pleased to state:

(a) whether the private retailer kellog has offered procurement price to farmers in Madhya Pradesh which is several times higher than official procurement price as reported in `The Economic Times` dated August 06, 2007;

(b) if so, the likely impact of such a move on procurement by the Government;

(c) whether procurement at such exorbitant prices is likely to lead to acute shortage of wheat in the country; and

(d) if so, the steps taken by the Government to tackle such a situation?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): The Minimum Support Price (MSP) is in the nature of guaranteed price offered to the farmers in case the market prices fall below that price. In case market prices are ruling above the MSP, farmers are free to sell their produce in the open market. Data regarding the prices paid by private companies is not maintained.

(b): The procurement of wheat during 2007-08 rabi marketing season has been 111.28 lakh tonnes, which is higher than the procurement level of 92.25 lakh tonnes achieved in 2006-07 rabi marketing season.

(c)&(d): Procurement of wheat by the private companies is unlikely to lead to acute shortage in the country since the procured wheat remains available for domestic consumption. The Government has recently launched a National Food Security Mission for Rice, Wheat and Pulses, which aims to add production of 10 Million Tonnes (MT) of Rice, 8 MT of Wheat and 2 MT of Pulses at the end of the Eleventh Plan (2011-12).